



DEPARTMENT OF HOMELAND SECURITY

Office of the Secretary

6 CFR Part 5

[Docket No. FEMA-2020-0032]

RIN 1660-AA98

Privacy Act of 1974: Implementation of Exemptions; Department of Homeland Security Federal Emergency Management Agency-015 Fraud Investigations System of Records

AGENCY: Federal Emergency Management Agency, U.S. Department of Homeland Security.

ACTION: Notice of proposed rulemaking.

SUMMARY: The U.S. Department of Homeland Security (DHS) is giving concurrent notice of a newly established system of records pursuant to the Privacy Act of 1974 for the “DHS/Federal Emergency Management Agency-015 Fraud Investigations System of Records” and this proposed rulemaking. In this proposed rulemaking, the Department proposes to exempt portions of the system of records from one or more provisions of the Privacy Act because of criminal, civil, and administrative enforcement requirements.

DATES: Comments must be received on or before **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: You may submit comments, identified by docket number FEMA-2020-0032, by one of the following methods:

- Federal e-Rulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- Fax: 703-483-2999.

- Mail: James Holzer, Acting Chief Privacy Officer, Privacy Office, U.S. Department of Homeland Security, Washington, D.C. 20528.

Instructions: All submissions received must include the agency name and docket number for this notice. All comments received will be posted without change to

<http://www.regulations.gov>, including any personal information provided.

Docket: For access to the docket to read background documents or comments received, go to <http://www.regulations.gov>.

FOR FURTHER INFORMATION CONTACT: For general questions please contact:

Tammi Hines, (202) 212-5100, FEMA-Privacy@fema.dhs.gov, Senior Director for Information Management, Federal Emergency Management Agency, 500 C Street, S.W., Washington, D.C. 20472-3172. For privacy issues please contact: James Holzer, (202) 343-1717, Privacy@hq.dhs.gov, Acting Chief Privacy Officer, Privacy Office, U.S. Department of Homeland Security, Washington, D.C. 20528.

SUPPLEMENTARY INFORMATION:

I. Background:

In accordance with the Privacy Act of 1974, 5 U.S.C. 552a, the Department of Homeland Security (DHS) proposes to establish a new DHS system of records titled, “DHS/Federal Emergency Management Agency (FEMA)-015 Fraud Investigations System of Records.” This system of records allows DHS/FEMA to collect and maintain records relating to disaster fraud investigations involving misuse of federal disaster funds and/or benefits. This system of records assists DHS/FEMA to safeguard and protect federal disaster funds and/or benefits from fraud against the United States. This system of records further assists FEMA’s Fraud Investigations and Inspections Division (FIID) recordkeeping; tracking and managing fraud inquiries, investigative referrals, and law enforcement requests; and case determinations involving disaster funds and/or benefits fraud, criminal activity, public safety, and national security concerns.

DHS is claiming exemptions from certain requirements of the Privacy Act for DHS/FEMA-015 Fraud Investigations System of Records. Information covered by this system of records notice relates to official DHS national security and law enforcement missions, and exemptions are needed to protect information relating to DHS activities from disclosure to subjects or others related to these activities. Specifically, the exemptions are required to preclude subjects of these activities from frustrating these processes; to avoid disclosure of activity techniques; ensure DHS's ability to obtain information from third parties and other sources; and to protect the privacy of third parties. Disclosure of information to the subject of the inquiry could also permit the subject to avoid detection or apprehension, which would undermine the entire investigative process.

In appropriate circumstances, when compliance would not appear to interfere with or adversely affect the law enforcement purposes of this system and the overall law enforcement process, the applicable exemptions may be waived on a case-by-case basis.

A notice of system of records for DHS/FEMA-015 Fraud Investigations System of Records is also published in this issue of the Federal Register.

List of Subjects in 6 CFR Part 5

Freedom of information; Privacy.

For the reasons stated in the preamble, DHS proposes to amend Chapter I of Title 6, Code of Federal Regulations, as follows:

PART 5--DISCLOSURE OF RECORDS AND INFORMATION

1. The authority citation for Part 5 continues to read as follows:

Authority: 6 U.S.C. 101 et seq.; Pub. L. 107-296, 116 Stat. 2135; 5 U.S.C. 301.

2. In appendix C to part 5, add paragraph 83 to read as follows: Appendix C to Part 5 – DHS Systems of Records Exempt From the Privacy Act

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83. DHS/FEMA-015 Fraud Investigations System of Records consists of electronic and paper records and will be used by DHS and its components. DHS/FEMA-015 Fraud Investigations System of Records is a repository of information held by DHS/FEMA in connection with its several and varied missions and functions, including the enforcement of civil and criminal laws and investigations, inquiries, and proceedings there under. DHS/FEMA-015 Fraud Investigations System of Records contains information that is collected by, on behalf of, in support of, or in cooperation with DHS and its components and may contain personally identifiable information collected by other federal, state, local, tribal, foreign, or international government agencies.

The Secretary of Homeland Security, pursuant to 5 U.S.C. 522a (k)(2), has exempted this system from the following provisions of the Privacy Act, subject to limitations set forth in 5 U.S.C. 552a(c)(3); (d); (e)(1); (e)(4)(G); (e)(4)(H); (e)(4)(I); and (f). When a record received from another system has been exempted in that source system under 5 U.S.C. 552a(j)(2), DHS will claim the same exemptions for those records that are claimed for the original primary systems of records from which they originated and claims any additional exemptions set forth here.

Exemptions from these particular subsections are justified, on a case-by-case basis to be determined at the time a request is made, for the following reasons:

- (a) From subsection (c)(3) (Accounting for Disclosures) because release of the accounting of disclosures could alert the subject of an investigation of an actual or potential criminal, civil, or regulatory violation to the existence of that investigation and reveal investigative interest on the part of DHS as well as the recipient agency. Disclosure of the accounting would therefore present a serious impediment to law enforcement efforts and/or efforts to preserve national security. Disclosure of the accounting would also permit the individual who is the subject of a record to impede the investigation, to tamper with witnesses or

evidence, and to avoid detection or apprehension, which would undermine the entire investigative process. When an investigation has been completed, information on disclosures made may continue to be exempted if the fact that an investigation occurred remains sensitive after completion.

(b) From subsection (d) (Access and Amendment to Records) because access to the records contained in this system of records could inform the subject of an investigation of an actual or potential criminal, civil, or regulatory violation to the existence of that investigation and reveal investigative interest on the part of DHS or another agency. Access to the records could permit the individual who is the subject of a record to impede the investigation, to tamper with witnesses or evidence, and to avoid detection or apprehension. Amendment of the records could interfere with ongoing investigations and law enforcement activities and would impose an unreasonable administrative burden by requiring investigations to be continually reinvestigated. In addition, permitting access and amendment to such information could disclose security-sensitive information that could be detrimental to homeland security.

(c) From subsection (e)(1) (Relevancy and Necessity of Information) because in the course of investigations into potential violations of federal law, the accuracy of information obtained or introduced occasionally may be unclear, or the information may not be strictly relevant or necessary to a specific investigation. In the interests of effective law enforcement, it is appropriate to retain all information that may aid in establishing patterns of unlawful activity.

(d) From subsections (e)(4)(G) and (e)(4)(H) (Agency Requirements) because portions of this system are exempt from the individual access provisions of subsection (d) for the reasons noted above, and therefore DHS is not required to establish requirements, rules, or procedures with respect to such access.

(e) From subsection (e)(4)(I) (Agency Requirements) Providing notice to individuals with respect to existence of records pertaining to them in the system of records or otherwise setting up procedures pursuant to which individuals may access and view records pertaining to themselves in the system would undermine investigative efforts and reveal the identities of witnesses, and potential witnesses, and confidential informants.

(f) From subsection (f) (Agency Rules) because portions of this system are exempt from the access and amendment provisions of subsection (d).

James Holzer,
Acting Chief Privacy Officer,
U.S. Department of Homeland Security.

[FR Doc. 2021-05644 Filed: 3/19/2021 8:45 am; Publication Date: 3/22/2021]